

*Attorney Docket No.: 394423*

### REMARKS/ARGUMENTS

Claims 1-41 and 63-71 remain pending in this U.S. Patent Application No. 09/903,444 (the "'444 Application"). Claims 42-62, 72 and 73 are cancelled without prejudice, and may be pursued in one or more divisional applications. Claims 42-73 are provisionally withdrawn.

The Examiner has required election of one of four (4) claim groups. Applicants recognize that, pursuant 37 C.F.R. § 1.142(a), the Office may require restriction at any time prior to final action in the case; however, the statute further states that the Examiner should make a proper requirement as early as possible in the prosecution. The '444 Application was filed more than four years prior to the mailing of the Restriction Requirement.

We recognize that Examiner McAllister, being newly assigned to the case, is not responsible for the greater than four-year delay in requiring restriction. However, we regret that restriction was not required in a more timely fashion, as it would have saved Applicants substantial time and costs, had they had been asked to focus on a smaller number of claims at the outset of prosecution.

The Examiner has grouped the claims and required restriction as follows:

- I. Claims 1-41, drawn to a method of distributing media;
- II. Claims 42-62 and 72, drawn to a kiosk, classified in class 705, subclass 16;
- III. Claims 63-71, drawn to a method of renting or lending media among a plurality of kiosks, and
- IV. Claim 73, drawn to a networked system of kiosks.

Because Applicant must choose one of groups I-IV for prosecution on the merits, Group I is hereby elected.

However, we contend that claim 1 is generic to claims 63-71, of group III. For example, claim 1 recites a method for distributing optical recorded media, including the following steps:

- (a) coupling one or more kiosks to a central server via the Internet, each of the kiosks containing a plurality of optical recorded media;
- (b) automatically interfacing with a first user at a first kiosk in a first transaction for first local optical recorded media, the first local optical media contained within the first kiosk, the first kiosk being one of the kiosks, the first user being one of the users;

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- (c) automatically communicating between the first kiosk and the server to authorize the first transaction; and
- (d) dispensing the first local optical media to the first user if the first transaction is approved.

Claim 63 requires these same steps (a) – (d), with respect to a plurality of kiosks, and adds an additional step of accepting return of the first local optical media at a second kiosk, the second kiosk being one of the kiosks.

Per MPEP § 806.04(d), "In general, a generic claim should include no material element additional to those recited in the species claims, and must comprehend within its confines the organization covered in each of the species." Claim 1 includes no material element additional to those recited in group III. We submit that it also comprehends the organization covered in group III. For example, "one or more" kiosks, as in claim 1, is inclusive of a plurality of kiosks, as in claim 63. Claim 1 is therefore believed generic to claims 63-71.

In accordance with MPEP § 809.02(c)(B)(1), should claim 1 be found allowable, Applicants respectfully request consideration of Group III claims 63-71.

In view of the above election and remarks, Applicants have addressed all issues raised in the Requirement for Restriction dated September 23, 2005. Should any issues remain, the Examiner is encouraged to telephone the undersigned attorney.

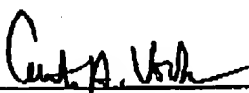
No further fees are believed due; however, if any fee is deemed necessary in connection with this Election and Response, the Commissioner is hereby authorized to charge Deposit Account No. 12-0600.

Respectfully submitted,

LATHROP & GAGE LC

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